

POSSIBLE IMPACTS ON RETIREMENTS  
OF CURRENT ELIGIBLES (BOTH SYSTEMS)

Total Retirements by System  
FY 1978 - 1982

<u>FY</u>	<u>CIVIL SERVICE</u>	<u>CIARDS</u>	<u>TOTAL</u>

25X1

1. Background

- a. As evident above, FYs 1981 and 1982 were substantially below the typical patterns of FY 1980 and earlier.
- b. Reasons for these reduced numbers are relative to a series of Legislative changes enacted in 1980 and 1981 which:
  1. Reduced inducements for retirement by institution of new rules for annuity computations resulting in lower base.
  2. Change in COLA adjustments for annuitants which reduced annuity income.
  3. Increase in pay "cap" levels of senior officer salaries making it advantageous to remain one to three years to maximize "high-three" average salary as base for annuity.

25X1

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2. Current Prognosis

- 25X1 a. FY 1981 and 1982 averaged [ ] fewer retirements per year than previous typical or normal years or 50.9% fewer retirements than normal.
- 25X1 b. If only the normal patterns are restored in 1983 (i.e. without heavy impact of the new retirement proposals) retirements in 1983 would return to approximately [ ] (approximately [ ] Civil Service and [ ] CIARDS based on past percentages)..
- 25X1 c. If only 50% of the normal patterns are experienced there would be [ ] retirements in 1983 (approximately 25X1 [ ] more than the 1981 and 1982 year average).
- d. The influence of distrust based upon the proposed legislation will result in additional increased retirements of unknown dimensions resulting in numbers in excess of the past normal year experience.

S E C R E T

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